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IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR
SALT LAKE COUNTY, STATE OF UTAH

STATE OF UTAH, : **STATEMENT OF DEFENDANT**
IN SUPPORT OF GUILTY PLEA,
Plaintiff, : **CERTIFICATE OF COUNSEL and**
PLEA AGREEMENT

vs. :

MICHAEL D. OSTLER, : Case No. 071907572FS

Defendant. : Judge Sheila McCleve

COMES NOW MICHAEL D. OSTLER, the defendant in this case, and hereby acknowledges and certifies the following:

Notification of Charges

I have entered a plea of guilty to the following crimes:

CRIME DEGREE PUNISHMENT (min/max)

Count 1 3rd Degree 0-5 Yrs. imprisonment
Securities Fraud Felony and/or fine up to \$5,000

Count 2 3rd Degree 0-5 Yrs. imprisonment
Securities Fraud Felony and/or fine up to \$5,000

Count 4 3rd Degree 0-5 Yrs. imprisonment
Securities Fraud Felony and/or fine up to \$5,000

Count 5 3rd Degree 0-5 Yrs. imprisonment
Securities Fraud Felony and/or fine up to \$5,000

The elements of the crimes to which I am pleading guilty are:

Counts 1, 2, 4 and 5 - SECURITIES FRAUD:

Commencing on or about May 2003, in the State of Utah, County of Salt Lake, the defendant, in connection with the offer or sale of a security, directly or indirectly, to **Jann Wilcox; Suzan and Leonard Feraco; Jewell Hansen; Jackie Saunders**, respectively, and others, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a second degree felony under Utah Law.

My conduct, for which I am criminally liable, that constitutes the elements of the crime charged is as described above and in the applicable sections of the Affidavit of Probable Cause.

Waiver of Constitutional Rights

I am entering this plea voluntarily. I understand that I have the following rights under the constitutions of Utah and the United States. I also understand that if I plead guilty I will give up the following rights:

Counsel: I know I have the right to be represented by an attorney and that if I cannot afford one, an attorney will be appointed by the court at no cost to me. I understand that I might later, if the judge determined that I was able, be required to pay for the appointed attorney's service to me.

I have not waived my right to counsel. I certify that I have read this statement and I understand the nature and elements of the charges and crimes to which I am pleading guilty.

My attorney is Paul T. Moxley and I have had an opportunity to discuss this Statement, my rights and the consequences of my guilty plea with my attorney.

Jury Trial: I know that I have a right to a speedy and public trial before an impartial (unbiased) jury and that I will be giving up that right.

Confrontation and Cross-Examination of Witnesses: I know that if I wish to have a jury trial I have the right to see and observe the witnesses who testified against me and my attorney would have the right to cross-examine all of the witnesses who testified against me.

Right to Compel Witnesses: I know that if I were to have a jury trial, I could call witnesses if I chose to and I would be able to obtain subpoenas requiring the attendance and testimony of those witnesses. If I could not afford to pay for the witnesses to appear, the State would pay those costs.

Right to Testify and Privilege Against Self-Incrimination: I know that if I were to have a jury trial, I would have a right to testify in my own behalf but if I choose not to do so I cannot be compelled to testify or give evidence against myself and no adverse inferences will be drawn against me if I do not testify.

Presumption of Innocence and Burden of Proof: I know that if I wish to contest the charges against me I need only plead "not guilty" and the matter will be set for trial, at which time the State of Utah will have the burden of proving each element of the charges beyond a reasonable doubt. If the trial is before a jury, the verdict must be unanimous, meaning that each juror would have to find me guilty.

Appeal: I know that under the Constitution of Utah that if I were tried and convicted by a jury or by the judge that I would have the right to appeal my conviction and sentence to the Utah Court of Appeals or, where allowed, to the Supreme Court of Utah and that if I could not afford to pay the costs for such appeal, those costs would be paid by the State.

I know and understand that by pleading guilty, I am waiving and giving up all the statutory and constitutional rights as explained above.

Consequences of Entering a Guilty Plea

Potential Penalties: I know the minimum and maximum possible sentences set forth above and also know that the maximum possible sentence may be imposed upon my plea of guilty, and that sentence may

be for a prison term, fine or both.

I know that in addition to any fine, an 85 percent surcharge, required by Utah Code Annotated § 63-63a-1, et seq. will be imposed. I also know that I may be ordered by the Court to make restitution to any victim or victims of my crimes, and I acknowledge responsibility to pay restitution to the victims in an amount to be determined by the parties prior to sentencing, or if the parties are unable to agree on the amount of restitution, at a restitution hearing. I further understand that in addition to the foregoing I will become civilly responsible to the victims in the amount determined following the procedures as described in the preceding sentence, plus any other remedies available to this person.

Consecutive/Concurrent Prison Terms: I know that in addition to the imposition of sentence, that if I am on probation or parole, or am awaiting sentence on another offense for which I have been convicted or to which I have entered a plea of guilty, or anticipate entering a plea in the future in any other case, my plea in the present action may result in consecutive sentences being imposed upon me, meaning the Court could order me to serve any such sentences one after the other rather than at the same time.

I know and understand that by pleading guilty I am waiving my statutory and constitutional rights set out in the preceding paragraphs. I also know that by entering such plea I am admitting and do so admit that I have committed the conduct alleged, I am guilty of the crime for which my plea is entered, and that my plea of guilty is an admission of all the elements of the crime.

Plea Bargain: My plea of guilty is the result of a plea bargain between myself and the prosecuting attorney. The promises, duties and provisions of this plea bargain, if any, are fully contained in the Plea Agreement attached to this Statement.

Trial Judge Not Bound: I know that any charge or sentencing concession or recommendation of probation or suspended sentence, including a reduction of the charge for sentencing made or sought by either defense counsel or the prosecuting attorney are not binding on the judge. I also know that any opinions they express to me as to what they believe the court may do are also not binding on the court.

Defendant's Certification of Voluntariness

I am entering this plea of my own free will and choice. No threats, coercion, or unlawful influence of any kind have been made to induce me to plead guilty, and no promises except those contained herein and in the attached Plea Agreement have been made to me.

I have read this Statement and all the attachments hereto, and I

understand its provisions. I know that I am free to change or delete anything contained in this Statement and the attachments. I do not wish to make any changes because all of the statements are correct.

I am 56 years of age and I can read and understand the English language. I was not under the influence of any drugs, medication or intoxicants which would impair my judgment when I decided to plead guilty. I am not presently under the influence of any drugs, medication or intoxicants which impair my judgment.

I believe myself to be of a sound and discerning mind, mentally capable of understanding the proceedings and the consequences of my plea and free of any mental disease, defect or impairment that would prevent me from knowingly, intelligently and voluntarily entering my plea.

I understand that if I want to withdraw my guilty plea, I must file a written motion to withdraw my plea of guilty before

sentence is announced. I will only be allowed to withdraw my plea if I show that it was not knowingly and voluntarily made.

DATED this ____ day of _____, 2008.

MICHAEL D. OSTLER

CERTIFICATE OF ATTORNEY

I certify that I am the attorney for MICHAEL D. OSTLER, the defendant above, and that I know he has read this Statement or that I have read it to him and I have discussed it with him and believe that he fully understands the meaning of its contents and is mentally and physically competent.

To the best of my knowledge and belief after an appropriate investigation, the elements of the crime and the factual synopsis of the defendant's criminal conduct are correctly stated and these, along with the other representations and declarations made by the defendant in the foregoing Statement of Defendant, are accurate and true.

DATED this ____ day of _____, 2008.

PAUL T. MOXLEY

Attorney for defendant

CERTIFICATE OF PROSECUTING ATTORNEY

I certify that I am the attorney for the State of Utah in the case against MICHAEL D. OSTLER, defendant. I have reviewed this Statement of the Defendant and find that the declarations, including the elements of the offense of the charge and the factual synopsis of the defendant's criminal conduct which constitutes the offenses are true and correct. No improper inducements, threats or coercion to encourage a plea have been offered defendant.

The plea negotiations are fully contained in this Statement and in the attached Plea Agreement and as may be supplemented on the record before the court. There is reasonable cause to believe that the evidence would support the conviction of defendant for the offenses for which the plea is entered and acceptance of the plea would serve the public interest.

DATED this ____ day of _____, 2008.

E. NEAL GUNNARSON

Prosecuting Attorney

ORDER

Based upon the facts set forth in the foregoing Statement and the certification of the defendant and counsel, and based upon any oral representations in court, the Court witnesses the signatures and finds that the defendant's plea of guilty is freely, knowingly and voluntarily made.

IT IS HEREBY ORDERED that the defendant's plea of guilty to the crimes set forth in the Statement be accepted and entered.

DATED this ____ day of _____, 2008.

BY THE COURT:

District Court Judge

PLEA AGREEMENT

NOW THEREFORE, the State and MICHAEL D. OSTLER voluntarily enter into this Plea Agreement:

1. Mr. Ostler agrees to plead guilty to four counts of Securities Fraud, each a third degree felony. The State agrees that in return for this guilty plea, the State will dismiss the remaining charges against the defendant.

2. The defendant agrees to pay full restitution to all victims in this case, whether alleged or not, in an amount to be determined between the parties before sentencing.

3. The defendant agrees that if he is unable to pay restitution in full at the time of sentencing, once granted probation and/or parole, he will make monthly payments toward his restitution in the minimum amount of \$_____, per month. The payments will be paid through the Office of the Utah Attorney General for disbursement to the victims in this case.

4. The State agrees to leave the matter of incarceration up to the Office of Adult Probation and Parole (AP&P).

5. The defendant agrees that if granted probation, he will remain on probation for a minimum period of thirty-six (36) months or until his court-ordered restitution has been paid in full.

6. The defendant agrees that he will not become self-employed and/or employed in any position where he would directly or indirectly engage in acts or practices which would constitute the offer and/or sale of a security in Utah.

7. The defendant agrees to provide full disclosure to the Office of Adult Probation and Parole (AP&P) and/or the Utah Attorney

General's Office, concerning his present financial status, location of assets, place of employment, etc.

8. The defendant agrees to abide by all usual and customary terms and conditions of sentence imposed by the Court and/or the Office of Adult Probation and Parole as a result of his plea of guilty.

9. This Plea Agreement is specifically incorporated and made a part of the Statement of Defendant in this case.

DATED this ____ day of _____, 2008.

E. NEAL GUNNARSON

Assistant Attorney General

MICHAEL D. OSTLER

Defendant

PAUL T. MOXLEY

Attorney for Defendant